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Finance and  
Management

# Secretary's Management Report Required by P.L. 100-504

April 1, 1989 - September 30, 1989





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## INTRODUCTION

This is the Secretary's first Management Report presenting actions taken by the Department of Agriculture (USDA) in response to audits performed by USDA's Office of Inspector General. A semiannual report is required by P.L. 100-504, the Inspector General Act Amendments of 1988, (the Act) for USDA. This report covers the period April 1, 1989, through September 30, 1989.

The Office of Finance and Management (OFM) has been delegated the

responsibility for tracking and monitoring final actions taken on audit recommendations. During the last year, OFM has developed a centralized, automated tracking and monitoring system to meet the Act's requirements and has gathered the data to prepare this report. Preparation of the report has heightened the awareness of senior managers to the importance of making timely decisions on audit recommendations and taking prompt corrective actions.

## AUDITS UNDER APPEAL OR LEGISLATIVE SOLUTION

<u>Administrative Appeal</u>	<u>Judicial Appeal</u>	<u>Legislative Solution</u>
20 <sup>1</sup>	5 <sup>1</sup>	2

## AUDITS WITH FINAL ACTION FOR THE 6 MONTH PERIOD<sup>2</sup>

Animal and Plant Health Inspection Service	2
Agricultural Marketing Service	4
Agricultural Stabilization and Conservation Service	17
Cooperative State Research Service	1
Extension Service	2
Foreign Agricultural Service	2
Farmers Home Administration	12
Federal Crop Insurance Corporation	12
Food and Nutrition Service	84
Forest Service	13
Food Safety and Inspection Service	1
Office of Finance and Management	2
Office of Information Resources Management	2
Soil Conservation Service	2
TOTAL	<u>156</u>

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<sup>1</sup>Separate portions of one audit are under both judicial and administrative appeal.

<sup>2</sup>These audits represent final actions accepted by the Office of Finance and Management for the period April 1, 1989, through September 30, 1989.

AUDITS INCOMPLETE 1 YEAR FROM THE DATE OF THE MANAGEMENT DECISION

<u>AGENCY</u>	<u>NUMBER</u>
<u>International Affairs and Commodity Programs</u>	
Agriculture Stabilization and Conservation Service (ASCS) .....	7
Foreign Agricultural Service (FAS) .....	1
<u>Small Community and Rural Development</u>	
Farmers Home Administration (FmHA) .....	12
Federal Crop Insurance Corporation (FCIC) .....	1
Rural Electrification Administration (REA) .....	1
<u>Food and Consumer Services</u>	
Food and Nutrition Service (FNS) .....	19
<u>Marketing and Inspection Services</u>	
Agriculture Marketing Service (AMS) .....	4
Animal and Plant Health Inspection Service (APHIS) .....	4
Federal Grain Inspection Service (FGIS) .....	1
Food Safety and Inspection Service (FSIS) .....	4
Packers and Stockyards Administration (PSA) .....	1
<u>Departmental Administration</u>	
Office of Finance and Management (OFM) .....	1
Office of Information Resources Management (OIRM) .....	6
<u>Economics</u>	
National Agricultural Statistics Service (NASS) .....	1
<u>Special Services</u>	
Forest Service (FS) .....	8
Soil Conservation Service (SCS) .....	3
Total	74



Departmentwide  
Final Action on Audits with Disallowed  
Costs and With Recommendations to Put Funds to Better Use  
For the 6-Month Period Ending September 30, 1989

	Number of Audit Reports	Disallowed Costs	Number of Audit Reports	Funds to be Put to Better Use
A. Management decisions with no final action at the beginning of the period	71	\$40,930,156 <sup>1</sup>	35	\$682,051,129 <sup>2</sup>
B. Management decisions made during the period	134	26,852,705 <sup>1</sup>	24	141,860,183 <sup>2</sup>
C. Final action was taken during the period	58	1,192,614	7	2,292,628
1. Recoveries				
(a) Collections	98	7,255,174 <sup>3</sup>		
(b) Property		101,501		
(c) Other				
2. Write-offs		63,827		
3. Total (1 + 2)	98	\$ 7,420,502 <sup>3</sup>		
4. Recommendations (completed)			7	\$2,292,628
5. Recommendations that management concluded should not or could not be implemented or completed			0	0
6. Total (4 + 5)	0	0	7	\$2,292,628
D. Reports needing final action at the end of the period	147		52	

<sup>1</sup>These figures include some amounts that agencies did not substantiate from their records. In those cases, data was compiled from the OIG automated CAPTAIN system.

<sup>2</sup>These figures are overstated because they include audits under administrative or judicial appeal and do not reflect costs subsequently determined to be allowable.

<sup>3</sup>These figures reflect funds collected through established repayment schedules for audits with and without final action. Thus, the amount exceeds disallowed costs for which final action was taken.



Audits Incomplete 1 Year From the  
Date of the Management Decision



## Audit Resolution and Followup

The following audits had management decisions, but final action was not taken 1 year from the date of the management decision.

Agency	Date Issued	Title of Report	Disallowed Costs	Funds to be Put to Better Use
AMS	1/5/88	1. South Florida Lime and Avocado Administrative Committees, Report #01031-43-At.	-0-	-0-
	10/1/87	2. Dairy Promotion Program, Report #01099-22-Hy.	-0-	-0-
	11/12/87	3. Certification Program for Imported Flue-cured and Burley Tobacco, Report #50099-18-At.	-0-	-0-
	2/1/88	4. Connecticut Department of Agriculture and Connecticut Marketing Authority, Report #50566-2-Hy.	-0-	-0-
ASCS	5/31/88	5. Inventory Protection Program for Upland Cotton, Report #03091-8-FM.	\$2,075,924	\$36,499
	5/31/88	6. ASCS' Budget and Appropriated Fund Accounting System (ABAFAS), Report #03091-10-FM.	-0-	-0-
	3/30/88	7. Redemption of Expired Generic Commodity Certificates, Report #03099-8-FM.	\$11,362	-0-
	7/14/88	8. Audit of Controls Over Personnel Involved in Outside Employment and Activities, Report #03099-115-KC.	-0-	-0-

Agency	Date Issued	Title of Report	Disallowed Costs	Funds to be Put to Better Use
	6/30/87	9. Agricultural Stabilization and Conservation Service State and County Office Automation Project (SCOAP), Report #03530-24-FM.	-0-	-0-
	12/14/87	10. Accountability for and Custody Over Commodity Certificates, Report #03530-27-FM.	-0-	-0-
	9/15/86	11. Conservation Reporting and Evaluation System (CRES), Report #50099-42-Te.	-0-	-0-
FmHA	11/21/84	12. Assessment and Collection of User Fees Within the FmHA, Report #04099-52-Hy.	-0-	-0-
	7/13/84	13. Mahanoy City Community Facility Loan and Grant, Mahanoy City, Pennsylvania, Report #04099-53-Hy.	\$236,948	-0-
	4/15/89	14. FmHA Loans to Nicolosi Enterprise, Inc., and Criteria Pipe Rentals, Inc., Report #04099-113-Te.	\$2,515,992	-0-
	7/22/86	15. FmHA Guaranteed Business and Industry Loan to Sanders Equipment, Inc., Report #04099-115-Te.	\$5,075,060	-0-
	6/11/87	16. Survey of FmHA Debt Management of Defaults on Guaranteed Loans, Report #04099-118-Te.	-0-	-0-
	9/30/86	17. Labor Housing Program, Report #04099-198-At.	-0-	-0-

Agency	Date Issued	Title of Report	Disallowed Costs	Funds to be Put to Better Use
	9/25/87	18. Evaluation of Coordinated Assessment Reviews, Report #04099-257-At.	-0-	-0-
	10/6/87	19. FmHA Non-Program Farmer Program Real Estate Loan Survey, Report #04099-259-At.	-0-	-0-
	8/28/87	20. Review on Integrated Data Base Management System Controls, Report #04530-24-FM.	-0-	-0-
	3/31/88	21. Incurred Cost Audit of Rural Opportunities, Inc., Report #04545-23-Hy.	-0-	-0-
	7/16/85	22. Nationwide Audit of County Operations, Report #04642-1-Te.	-0-	-0-
	3/4/87	23. Oversight of Program Operations Through the Use of Certified Public Accountants, Report #50569-4-Ch.	-0-	-0-
FCIC	3/31/88	24. Federal Crop Insurance Corporation Reissuance Operations, Report #05099-11-At.	\$822,104	\$12,680,562
FS	12/18/87	25. Forest Level Information Processing System ADP Security Policies and Procedures, Report #08099-3-FM.	-0-	-0-
	3/10/86	26. Internal Control Review of the FS Timber Sale Accounting System, Report #08099-5-SF.	-0-	-0-
	1/24/86	27. FS, Timber Management - Anti-Trust Control Audit, Report #08627-2-SF.	-0-	-0-

Agency	Date Issued	Title of Report	Disallowed Costs	Funds to be Put to Better Use
	1/24/86	28. Timber Sales Management - Timber Appraisals, Report #08627-3-SF.	-0-	-0-
	8/28/86	29. FS, Timber Sale Contract Defaults Nationwide Audit, Report #08627-4-SF.	-0-	-0-
	2/2/88	30. FS, Use and Accountability for Owned/Chartered Contracted Aircraft and Aircraft Services, Report #08633-1-At.	-0-	-0-
	8/20/87	31. Timber Purchasers in Financial Jeopardy, Report #08636-1-SF.	-0-	-0-
	7/22/88	32. FS, Survey of Cost Effectiveness of the FS Nurseries, Report #08637-1-SF.	-0-	-0-
REA	6/5/85	33. Telephone Loan Making Policies, Report #09614-2-Te.	\$273,481	-0-
SCS	6/6/85	34. Contractor Claim for Additional Construction, Sanderson Canyon Watershed Project, Terrell County, Texas, Report #10545-12-Te.	\$305,787	-0-
	3/28/88	35. Cost/Benefit Analyses and Automated Data Processing Equipment Inventory, Report #10610-6-At.	-0-	-0-
	6/20/88	36. SCS State Level Implementation of FOCUS, Report #10610-7-At.	-0-	-0-
OFM	7/12/88	37. OFM Implementation of the Prompt Payment Act, Report #11099-4-FM.	-0-	\$ 178



Agency	Date Issued	Title of Report	Disallowed Costs	Funds to be Put to Better Use
FSIS	2/5/87	38. FSIS Exporting Procedures, Report #24097-1-At.	-0-	-0-
	3/31/87	39. FSIS Controls Over Exporting Procedures, Report #24099-2-At.	-0-	-0-
	8/26/86	40. FSIS Meat and Poultry Inspection Program, Report #24607-1-At.	-0-	-0-
	4/20/88	41. North Carolina Department of Agriculture, Report #50566-10-At.	-0-	-0-
NASS	1/27/87	42. Automated Data Processing Maintenance Agreements Within the National Agricultural Statistics Service, Report #26555-1-Hy.	-0-	-0-
FNS	3/3/88	43. Food Distribution Program Accountability Over Commodity Inventories, Report #27002-7-NY.	-0-	-0-
	9/24/87	44. Pennsylvania Food Stamp Program, Report #27013-78-Hy.	\$35,345	-0-
	12/11/86	45. Food Coupon Redemption Process, Report #27019-30-Hy.	\$1,910	-0-
	2/10/88	46. National School Lunch Program, Detroit Public School System, Report #27023-192-CH.	\$116,290	-0-
	9/15/87	47. Child Care Food Program - Boys Harbor, Inc., Report #27029-961-NY.	\$149,402	-0-
	7/31/87	48. Puerto Rico WIC Program, Report #27031-9-NY.	\$1,221,525	-0-

Agency	Date Issued	Title of Report	Disallowed Costs	Funds to be Put to Better Use
	7/31/87	49. Nutrition Assistance Grant to Puerto Rico, Report #27080-3-NY.	\$32,864	-0-
	5/22/87	50. Rollup Report of OIG Audits of School Food Service Programs Administered by School Food Authorities, Report #27099-45-At.	-0-	-0-
	4/28/86	51. Internal Controls Over Food Stamp Issuance System, Missouri Department of Social Services, Report #27555-1-KC.	-0-	-0-
	2/5/87	52. Georgia Food Stamp Program, Error Reduction and Claims Management, Report #27555-2-At.	-0-	-0-
	10/31/86	53. Audit of Food Stamp Program Quality Control Error Rate Reduction System, Report #27650-2-HY.	-0-	-0-
	7/31/86	54. Implementation of Food Stamp Wage Matching, Florida Department of Health and Rehabilitative Services, Report #27655-2-At.	-0-	-0-
	8/12/87	55. FNS Nationwide Audit of ADP Accounts Receivable System for FSP Claims, Report #27657-1-At.	-0-	-0-
	6/15/88	56. Special Supplemental Food Program for Women, Infants and Children - Vendor Monitoring and Food Instrument Delivery System, Report #27661-2-Ch.	-0-	-0-

Agency	Date Issued	Title of Report	Disallowed Costs	Funds to be Put to Better Use
	1/6/88	57. Special Supplemental Food Program for Women, Infants and Children as Administered by the Michigan Department of Public Health, Report #27661-3-Ch.	-0-	-0-
	4/29/88	58. Special Supplemental Food Program for Women, Infants and Children as Administered by the Illinois Department of Public Health, Report #27661-4-Ch.	-0-	-0-
	8/29/86	59. Arizona Department of Economic Security, Report #50561-182-SF.	-0-	-0-
	11/2/87	60. Virginia Department of Public Health, Report #50568-31-Hy.	-0-	-0-
	7/23/87	61. Kansas Department of Social Services, Report #50568-46-KC.	-0-	-0-
PSA	3/20/87	62. Evaluation of Regulatory Functions in the Packers and Stockyards Administration, Report #30601-2-Ch.	-0-	-0-
FGIS	8/30/88	63. FGIS Grain Inspection Processes and Procedures, Report #37008-2-Hy.	-0-	-0-
FAS	2/19/87	64. Public Law 480, Title I, Fiscal Accountability, Report #50010-2-Hy.	-0-	-0-
APHIS	11/9/87	65. South Dakota Department of Agriculture, Report #50566-8-KC.	\$8,864	-0-
	10/8/87	66. Kansas Animal Health Department, Report #50567-5-KC.	\$4,946	\$11,046

Agency	Date Issued	Title of Report	Disallowed Costs	Funds to be Put to Better Use
OIRM	1/29/88	67. Arizona State Commission of Agriculture and Horticulture, Report #50567-9-SF.	\$5,907	-0-
	1/4/88	68. Washington State Department of Agriculture, Report #50568-73-SF.	-0-	-0-
	8/16/87	69. Procurement and Technical Approval of ADP Equipment in USDA, Report #50550-9-Hy.	-0-	-0-
	3/23/87	70. OIRM Automated Data Processing (ADP) Maintenance Agreements Within the Department of Agriculture, Report #50555-1-Hy.	-0-	-0-
	10/27/86	71. Review of Management and Security of Computer Operations at the Fort Collins Computer Center, Report #50655-4-FM.	-0-	-0-
	9/22/87	72. Survey of User Workload Impact on Computer Resources at the Fort Collins Computer Center, Report #58099-4-FM.	-0-	\$258,384
	2/24/88	73. Audit of the User Billing System at the National Computer Center at Fort Collins, Report #58099-9-FM.	-0-	-0-
	5/24/88	74. User Billing and Charging System of the National Computer Center at Kansas City, Report #58099-11-FM.	-0-	-0-

1. **South Florida Lime and Avocado Administrative Committees, issued January 5, 1988**

The audit recommended, in part, that AMS evaluate methods used by the Committees to project crop production; prepare Committee reports; require reporting to the Internal Revenue Service (IRS) of individual assessment rebates totaling \$600 or more; and require Committees to obtain annual financial statements, clearly reflecting changes in fund balances and sources of funds rebated to handlers.

The recommendation to require the Committees to report refunds to handlers in excess of \$600 was referred to IRS in November 1987. In addition to waiting for a response from IRS, the need for additional study and consultation with the Committees and Departmental personnel delayed final action on this audit. AMS economists and others have reviewed the Committees' methods for estimating assessable shipments. Since there are now 46 marketing agreement and order programs, it was necessary to consider a wide number of factors in order for the Department to complete its analysis of the audit recommendations.

2. **Dairy Promotion Program, issued September 1, 1987**

Disagreements over the Office of Inspector General's (OIG) findings eventually resulted in an agreement by OIG to further evaluate the program. A subsequent audit report was issued in July 1988. It continued to contain the basic

policy issues which were in dispute in the previous report. These issues were elevated to the Deputy Secretary of Agriculture and a settlement was reached in February 1988.

3. **Certification Program for Imported Flue-cured and Burley Tobacco, issued November 12, 1987**

The audit recommended that AMS notify importers, whose tobacco included prohibited pesticide residue levels, of actions required to dispose of the tobacco and ensure that it did not reenter commerce; coordinate with other USDA and Federal agencies; evaluate the pesticides presently being tested and the established pesticide residue standards; obtain information on chemicals used on tobacco in foreign countries; revise the list of pesticides to be tested, as needed, and base residue tolerance standards on documented supportable evidence; require APHIS to consider and record pesticide levels for chemicals of the same class, both individually and in combination; ensure pesticide levels are calculated and recorded for all pesticides tested; and perform an indepth review of the user fees and charges imposed to ensure that they are sufficient to recover all costs involved. The audit recommendations required agency rulemaking. Proposed rules were referred to the Office of Management and Budget (OMB) in 1988, but met resistance when the Environmental Protection Agency (EPA) would not consent to the proposals. Thus, AMS

withdrew the proposals and resubmitted rules to amend various portions of the rules and eliminate the need for EPA's concurrence. The rule changes were published in the Federal Register as final rules during the summer of 1989.

4. **AMS Audit Report on Connecticut Department of Agriculture and Connecticut Marketing Authority, issued February 1, 1988**

It was recommended, in part, that Connecticut improve its administration of, and recordkeeping for, Federally-funded programs. The Connecticut Department of Agriculture (CDA) has contracted with a consultant to reorganize its operations, specifically to address the audit recommendations. Upon receipt of the consultant's report, AMS will carefully review the report and the resulting changes in policies and procedures. In the meantime, CDA has been put on notice that further delays could jeopardize their Federal funding relationships.

5. **Inventory Protection Program for Upland Cotton, issued May 31, 1988**

The audit disclosed that the internal accounting and administrative controls at the Kansas City Management Office (KCMO), the Kansas City Commodity Office (KCCO), and the Electronic Data System (EDS) did not provide reasonable assurance that claimants were paid in accordance with program requirements; KCCO/KCMO did not effectively monitor the

contractor to ensure that the Cotton Inventory Protection System contained adequate information for all bales of Upland Cotton; KCCO/KCMO authorized EDS to issue payments without adequate information on file; KCCO/KCMO provided EDS with only general written instructions and did not provide a statement of work to define its specific responsibilities; and EDS placed primary emphasis on approving claims rather than verifying their accuracy or recovering actual/potential overpayments. Necessary verifications performed by the KCMO delayed completion on final action within 1 year.

6. **ASCS' Budget and Appropriated Fund Accounting System (ABAFAS), issued May 31, 1988**

ASCS agreed with the audit recommendation to revise 14 handbooks applicable to the implementation of ABAFAS. Final action was not taken because of delays experienced in selecting a contractor to assist with the completion of the handbooks and the complexity of the material to be revised.

7. **Redemption of Expired Generic Commodity Certificates, issued March 30, 1988**

It was recommended, in part, that the State and County Office Automation Project (SCOAP) software be revised to compute the expiration date for Commodity Certificates and to include the expiration date on the County Office SCOAP certificate history file. Additionally, ASCS agreed to take action to recover improperly redeemed



certificates. The revised date for implementation of the SCOAP software is June 1990. This delay is due to the complexity of the changes required; the systems affected; and the detailed research and related collection action needed to resolve the certificates.

**8. Controls Over Personnel Involved in Outside Employment and Activities, issued July 12, 1988**

ASCS agreed to revise procedures to require County Executive Directors to report their outside employment and financial interest to the State Executive Director for review. A series of discussions and written communications with the Personnel Division, workload priorities, and other commitments precluded the timely implementation of these requirements. A proof copy of the form is currently being reviewed for accuracy and compliance.

**9. Agricultural Stabilization and Conservation Service State and County Office Automation Project (SCOAP), issued June 30, 1987**

The audit recommended that an IBM program (BRADS) be modified to remove the commands for defining sorts, entering data, copying files, and developing report and spreadsheet programs. It, also, recommended that ASCS establish and implement procedures for developing and maintaining an information library of current record descriptors, report and spreadsheet programs for

distribution to State/County Offices, upon request. In 1988, a contractor was scheduled to modify both the Data File Utility and BRADS query/report-writer software. This work would have made any attempt to modify or update SCOAP files, outside of approved applications, impossible. These planned modifications were delayed because of an OIG audit of the contractor, which was completed in 1989. However, in March 1989, the ASCS IRM Review Board approved the purchase of Query 36 software to replace BRADS. After testing, Query 236 software was released and installation in County offices began in August 1989 and will be completed this year.

**10. Accountability for and Custody Over Commodity Certificates, issued December 14, 1987**

Management agreed to initiate a detailed examination of the system of internal controls affecting Commodity Certificates and their related automated accounting system. ASCS used the Small Business Administration (SBA) contracting authority to secure internal review examination procedures. The contracting process was delayed due to the time it took to receive authority from SBA to negotiate with vendors. Upon receipt of authority to contract, a contractor was selected. A final report was issued in May 1989, less than 5 months from the SBA approval date. ASCS is now reviewing the report's recommendations for potential action.

11. **Conservation Reporting and Evaluation System (CRES), issued September 15, 1986**

The audit recommended that ASCS identify uses of CRES data by national, State, and County ASCS officials; reassess the extent that information is gathered and issue a policy statement on the decisions reached; develop and issue detailed operating procedures and instructions for gathering information; provide training on soil loss formulas, procedures, and forms; and establish controls over the accuracy and integrity of the data. Completion of final action was delayed due to the complexities and the requirements agreed to with OIG. The agency developed and implemented national and State level training and, with the assistance of SCS, developed a one-of-a-kind software to be used on the ASCS System 36 computer. The implementation of new procedures, instructions and software in 2,800 county offices was extremely complex and time consuming.

12. **Assessment and Collection of User Fees Within the Farmers Home Administration, issued November 21, 1984**

The audit recommended, in part, that FmHA assess and collect user fees to recover, as nearly as practical, the costs of loan processing, construction, inspections, etc. Instruction 1951-J, "Management and Collection of Non-Program Loans," was delayed due to the following: (1) lower priority than other rules being promulgated; (2)

lower priority than the wrap-up and subservicing related to the 1987 asset sales; and (3) reworking the non-program rule to exclude internal management items. The proposed rule to implement this recommendation was published in the Federal Register in August 1989.

13. **Mahanoy City Community Facility Loan and Grant, Mahanoy City, Pennsylvania, issued July 13, 1984**

The Assignment and Assumption Agreement between Mahanoy City Municipal Authority and Mahanoy City Sewer Authority was delayed due to the length of time needed to work out a transfer agreement, handling of unauthorized loan and grant funds, and obtaining transfer and assumption closing instructions from the Regional Attorney.

14. **FmHA Loans to Nicolosi Enterprises, Inc., and Concentric Pipe Rentals Inc., issued April 15, 1986**

The audit recommended, in part, that findings of noncompliance with the terms of the Conditional Commitment of Guarantee, the Loan Note Guarantee, and the Lender's Agreement be referred to the Office of the General Counsel (OGC) to determine whether FmHA had recourse for cited violations against the lender or its receiver and liquidator, the Federal Deposit Insurance Corporation (FDIC). Final action remains incomplete pending resolution of FmHA's Proof of Claim filed with the FDIC. Once FDIC renders a decision on the Proof of Claim, FmHA will



process a final report of loss on Concentric Pipe Rentals, Inc. A final report of loss has been processed on Nicolosi Enterprises, Inc.

15. **FmHA Guaranteed Business and Industrial Loan to Sanders Equipment, Inc., issued July 28, 1986**

The audit recommended, in part, that findings of noncompliance with the terms of the Conditional Commitment of Guarantee, the Loan Note Guarantee, and the Lender's Agreement be referred to the OGC to determine whether FmHA had recourse for cited violations against the lender or its receiver and liquidator, the FDIC. Final action remains incomplete pending resolution of FmHA's Proof of Claim filed with the FDIC. Once FDIC renders a decision on the Proof of Claim, FmHA will process a final report of loss.

16. **Survey of Farmers Home Administration (FmHA) Debt Management of Defaults on Guaranteed Loans, issued June 11, 1987**

FmHA agreed to issue procedures for monitoring the recovery and collection actions of lenders, subsequent to payment of claims. The proposed rule is in the clearance process for publication. Completion of final action was due to turnovers in personnel and priorities set to implement the Agriculture Credit Act of 1987.

17. **Labor Housing Program, issued September 30, 1986**

It was recommended, in part, that FmHA emphasize that, when loan agreements are waived, no rental income is to be received from tenants in single-family-type labor housing; borrowers be required to account to FmHA on rental income; borrowers collecting rent execute loan agreements and establish the necessary accounts for loan servicing; and borrowers be advised that violations could result in loan foreclosure. FmHA agreed to incorporate needed provisions into a revision to Instruction 1944-D, "Farm Labor Housing." The rule has been delayed due to staff realignments and labor housing program training for staff responsible for the program.

18. **Evaluation of Coordinated Assessment Reviews, issued September 25, 1987**

FmHA agreed to revise Instruction 2006-M, "Internal Control System," to address standards and guidelines; uniform reporting requirements; corrective actions; documentation of reviews; reports of findings from reviews; vulnerable areas; and problem areas identified in the Coordinated Assessment Review procedures. The delay in completing action on this audit was caused by changes in key personnel involved in internal controls. Final action was completed in May 1989.

19. **Non-Program (NP) Farmer Program Real Estate Loan Survey, issued October 6, 1987**

The report recommended, in part, that existing instructions be amended to

- identify financial information required for NP loan applicants and to require field personnel to verify the financial information for credit-worthiness. FmHA agreed to issue Instruction 1951-J, "Management and Collection of Non-Program Loans." Since there was no previous Instruction on this subject, data input and circulation for approval have taken longer than anticipated.
20. **Review of Integrated Data Base Management System Controls, issued August 28, 1987**
- FmHA agreed, in part, to restrict access to the Integrated Data Base Management System libraries; discontinue assigning group identifications and passwords; establish separate identifications for individuals sharing group identifications; restrict access to Job Control Language (JCL); determine if passwords are embedded in other JCL libraries; and inform users not to share their identifications or embed passwords in their JCL libraries. The Requests for Alterations (RFAs) to place JCL containing the production identification and password for batch processing in separate libraries were implemented August 1988 through July 1989. However, it was subsequently determined that the Rural Community Facility Tracking System be modified for additional JCL access after the initial software development requirements were identified. This additional software development requirement
- delayed completion of final action.
21. **Incurred Cost Audit of Rural Opportunities, Inc., issued March 31, 1988**
- The audit, in part, disallowed a portion of claimed costs. The Rural Opportunities, Inc., provided documentation to support most of the contractor's claim. The delay was due to information not being made available to verify final action.
22. **Nationwide Audit of County Office Operations, issued July 16, 1985**
- It was recommended, in part, that FmHA strengthen internal controls; develop and implement a method for the appropriateness of determining refund checks; and improve controls over interest credit recapture operations. Revision to Instruction 1951-I, "Recapture of Section 502 Rural Housing Subsidy," was delayed due to the priority of handling the substitutions and transfer of servicing to the trust of Single Family loans involved in the 1987 asset sales. The Instruction is now in clearance for publication as a proposed rule.
23. **Oversight of Program Operations Through the Use of Certified Public Accountants, issued March 4, 1987**
- The audit recommended, in part, that FmHA revise its instructions to require that audits of FmHA borrower operations be performed in accordance with generally accepted Government auditing

standards; revise the FmHA audit guide to conform to the requirements of OMB Circular A-128; and follow up or resolve non-Federal audits to ensure compliance with applicable audit standards and subsequent corrective action. Regulations are planned for publication in Fiscal Year (FY) 1990. Final action was delayed because FmHA was waiting for an "audit guide" from the OIG. The guide has now been received by FmHA.

24. **Federal Crop Insurance Corporation Reinsurance Operations, issued March 31, 1988**

The audit recommended, in part, that FCIC complete a study on age guarantees and amend crop insurance policies to provide for reduced indemnity payments at appropriate crop production stages, including unharvested production stages. In December 1988, FCIC was contracting for a comprehensive independent study of the entire Corporation and Crop Insurance Program. However, final action on this recommendation is delayed because the study has been placed on hold pending further review. FCIC has reassigned review of adjusting procedures, which involve considerations for "No Reduction in Indemnity Payment for Unharvested Acreage." This study is being done in-house and will be completed on or before June 1990.

25. **Forest Level Information Processing System ADP Security Policies and Procedures, issued December 18, 1987**

FS agreed to develop and implement policies and procedures concerning the sensitivity, certification, and installation of a system. It was also agreed to incorporate FS' ADP security standards into the FS Manual to provide guidance, instructions and oversight of the security standards through the use of the FS Handbooks. Publication of the Applications Developers Handbook and a FS External Handbook is delayed due to the amount of time required to process large directives in the Department. Work on this audit will be completed when FS completes development of an automated tool needed to obtain information on computer software installation.

26. **Internal Control Review of the FS Timber Sale Accounting System, issued March 10, 1986**

The audit recommended that the Servicewide Timber Sale Accounting (STSA) system be reviewed from an internal control standpoint; internal control requirements be developed at the forest levels for document origination and transmittal; and the STSA system be modified to accumulate and report the same batch totals as those generated by the forest level during document origination and data entry. Staff vacancies significantly reduced the number of knowledgeable people for this complex technical computer system. FS used its limited resources to accomplish higher priority work of responding to user needs, keeping the system operational, and providing information for the General

Accounting Office's Financial Statement audit. New hires are now in place and FS is preparing a Timber Sale Accounting Handbook.

27. **Timber Management - Antitrust Control, issued January 24, 1986**

The audit recommended, in part, that FS develop and implement a computerized bid monitoring system to provide reports needed for effective analyses and to conduct national antitrust training for timber management employees. This audit will be complete when FS begins the national antitrust training scheduled for January 1990. The automated system to provide reports on bidding data is operational and reports are now available from the system.

28. **Timber Sales Management - Timber Appraisals, issued January 24, 1986**

FS agreed to establish national standards for timber appraisals which would result in advertised values that are within a range of 75 to 85 percent of actual bid values; establish controls to ensure that appraisals are maintained within the standard specified; and direct the Northern Region to reduce the statistical adjustment factor of the transaction evidence appraisal system to ensure that the timber advertised values remain in a range of 75 to 85 percent of the current bid values. Final action is not complete because FS has not been able to provide evidence that: the Northern Region has

adopted a statistical adjustment factor that will result in advertised timber bid rates being within the 75 to 85 percent appraisal standard; and the California and Northwestern Regions have adopted standards which will result in advertised rates that are reasonable estimates of fair market values. FS and OIG agreed that some standards are needed but have not agreed on the standards and the method to compute adherence to the standards. Work is continuing to find a meaningful measure of overbids that will be valid in varying economic climates.

29. **Timber Sale Contract Defaults Nationwide Audit, issued August 28, 1986**

The audit recommended, in part, that FS amend future timber sale contracts to clearly specify that losses resulting from the failure of purchasers to remove priority timber will be considered as damages. FS agreed to change clauses in its timber sale contract. These changes were incorporated into a major revision of the timber sale contract, which is being reviewed by the OGC. Due to the time which has passed, FS now intends to make OIG's suggested change by issuing a separate timber sale contract "C" provision. FS estimates the date for using the new contract revision as January 1990.

30. **FS Use and Accountability of Owned/Chartered/Contracted Aircraft and Aircraft Services, Fiscal Years 1982 through 1985, issued February 2, 1988**



FS agreed to review internal controls of aircraft activities; ensure compliance with applicable laws, regulations and policies related to aircraft operations; modify the reporting system to ascertain the need and cost effectiveness of FS-owned aircraft; and evaluate the use of FS aviation personnel. To complete these actions, it was recommended that FS establish a Task Force to review the present Aircraft Use Reporting System; conduct a national aviation Working Capital Fund review; and review and modify Handbook directions. The actions agreed to take longer than 1 year to complete. FS is doing A-76 studies and a contractor is making changes to a computer system. In addition, changes are being made to the FS Handbook.

31. **Timber Purchasers in Financial Jeopardy, issued August 20, 1987**

This audit recommended that, before awarding additional contracts, FS require current purchasers to provide additional financial guarantees on their existing contractual obligations if their projected losses, for the next 12-month period, on current contracts and unpaid default damages exceed either their working capital or net book worth. Final action will be completed when FS publishes the Financial Analysis Handbook.

32. **Survey of the Cost Effectiveness of the FS Nurseries, issued July 22, 1988**

The audit recommended that FS strengthen internal accounting controls over the Nursery Working Capital Fund (WCF) by adopting consistent accounting procedures and by requiring its Regional Offices to review financial statements to ensure expenditures are charged to the correct cost centers. FS agreed to implement the recommendations by revising the WCF Handbook. Publication of the WCF Handbook is delayed due to the amount of time required to process large directives in the Department. Final action will be completed when FS publishes a new version of its WCF Handbook.

33. **Telephone Loan Making Policies, issued June 5, 1985**

The audit recommended that REA strengthen its policies, procedures and controls over reimbursement of borrower work order construction. REA agreed to amend 7 CFR Part 1765, Subpart G, to implement the recommendation. The proposed 7 CFR Part 1765, Subpart G, was published in the Federal Register in September 1989. REA has been engaged in a major effort over the past several years to codify its telephone regulations. 7 CFR Part 1765, Subpart G, is one of the last rules REA must publish to codify its existing telephone policies and procedures.

34. **Contractor Claim for Additional Construction, Sanderson Canyon Watershed Project, Terrell County, Texas, issued June 6, 1985**

This audit questioned a portion of a contractor's

claim. The claim is the result of an alleged differing site condition by the contractor, which required excavation beyond that required in the basic contract. Settlement negotiations have been initiated. Although, the contractor has provided additional information for consideration, SCS has not had the opportunity to fully review it due to time constraints. It is expected that the review will be accomplished in February 1990.

35. **Cost/Benefit Analysis and Automated Data Processing Equipment Inventory, issued March 28, 1988**

The audit recommended, in part, that SCS prepare a revised cost/benefit technical approval. Final action was not completed within 1 year due to the amount of time required to accurately perform each process of the analysis and to obtain clearance within the Department.

36. **SCS State Level Implementation of FOCUS, issued September 19, 1988**

The audit recommended that an SCS automated data processing (ADP) security plan be completed and a contingency plan prepared; that SCS develop the guidance needed for preparing the facility security and contingency plans and furnish it to State offices; and that annual security reviews be scheduled of State, area, and field office computer facilities. The ADP security plan has been completed; however, due to funding restrictions, the SCS

contingency plan has not begun. Instructions for security and contingency plans have been incorporated into the revised National Information Resources Management Manual. A national Bulletin on the security review format has been finalized. However, printing is delayed due to the end of the fiscal year backlog of printing requests.

37. **Implementation of the Prompt Payment Act, issued July 12, 1988**

It was recommended, in part, that OFM develop and present an educational program to agency personnel involved in prompt payment operations and develop the means necessary to use proper payment discount terms. Since the Prompt Payment Act was amended in October 1988, OFM has delayed completing final action until the OMB finalizes the revision to Circular A-25, "Prompt Payment." The Department's Interest Penalty Task Group is currently developing an educational program. OFM expects to complete this and a written procedure on taking non-standard discounts within 6 months of issuance of OMB's revision of Circular A-25.

38. **Exporting Procedures, issued February 2, 1987**

The audit recommended that FSIS issue rules governing the Acceptable Quality Level Program for all classes of poultry expected to remain subject to the provisions of the Meat and Poultry Inspection Directive 918.1, "Poultry Carcass Inspection Program." Publication of the

proposed rule was delayed due to FSIS' response to the National Academy of Sciences' report entitled, "Poultry Inspection, the Basis for a Risk-Assessment Approach." The impact of this report and the public concern on salmonella contamination caused FSIS to shift its priorities and time schedules. In the spring of 1988, the proposed rule was again delayed due to the higher priority of the Cooperative Government-Industry Inspection System (Third Generation)/Hazard Analysis Critical Control Point (HACCP) program pilot testing in Puerto Rico. The proposal is now being held in abeyance pending a peer review by the Academy on FSIS' Streamlined Inspection System for Cattle. The expected completion date of the Academy's study is summer of 1990.

39. **FSIS Controls Over Exporting Procedures, issued March 31, 1987**

The audit recommended, in part, that FSIS evaluate current residue monitoring findings for consistency with certifications made at the field level; determine whether the certifications are proper and whether it is appropriate to continue to provide assurances concerning hormones, antibiotics, and sulfonamides; reevaluate the method of informing inspectors concerning drug usage and residue levels; and ensure that veterinarians have current information on residue test results on which to base their certifications about products for export. FSIS agreed to evaluate its annual

residue monitoring findings and modify export certification directives. Final action occurred when the hormone/antibiotic/chemo-therapeutic statement on the Public Health Certificate was deleted in order to remove it from active use. However, final action was not completed within 1 year because the action occurred only after international events in a sensitive trade area stabilized to a point that making the change did not damage U.S. exports.

40. **Meat and Poultry Inspection Program, issued September 26, 1986**

FSIS management agreed to improve the development of data needed to support the prosecution of violators of drug and residue laws. Specifically, FSIS agreed to develop a standard form for the Certified Calf Program. This form would reference Title 18, U.S.C., subsection 1001, and warn producers of the consequences of false statements. FSIS published a proposed rule "Sulfonamide and Antibiotic Residues in Young Calves; Certification Requirement" in the Federal Register in December 1988. The final rule has not been published because a policy issue was raised during the comment period, requiring additional review. The issue is been resolved and the final rule is undergoing internal FSIS review.

41. **North Carolina Department of Agriculture, issued April 20, 1988**

It was recommended that FSIS

require the North Carolina Department of Agriculture (NCDA) to review its current billing procedures and implement corrective action to ensure that costs billed to the Federal Government are actual costs and are properly supported. OIG also recommended that NCDA resolve any potential overcharges. NCDA subsequently requested clarification regarding the allowability for cost reimbursement related to Talmadge-Aiken overtime services. FSIS submitted the necessary guidance to NCDA. NCDA is now recalculating the Talmadge-Aiken overtime amounts and preparing the revised Federal financial reports.

**42. Automated Data Processing Maintenance Agreements Within the National Agricultural Statistics Service, issued January 27, 1987**

NASS management agreed to write procedures requiring that cost-benefit analyses be performed when ADP maintenance agreements are purchased or renewed, and issue such policy in a procurement handbook. The handbook was not completed because of staff turnover, however, management included the procedure in an Administrative Notice. This material was presented to OIG as a revised management decision and was accepted as satisfying the audit recommendation.

**43. Food Distribution Program Accountability Over Commodity Inventories, issued March 3, 1988**

The audit recommended, in

part, that FNS implement procedures for the monthly reconciliation of the FNS-155 report; develop and implement computer programs needed to perform the reconciliation; and develop and implement procedures requiring all Distributing Agencies to include delivery order numbers of the commodity shipment on the FNS-155 reports.

FNS contracted for an integrated computer database for the three agencies involved in the purchase and distribution of commodities--ASCS, AMS, and FNS. Also, FNS has implemented a total review and revision of its software programs. This system is FNS' effort to meet long-term data needs that are not associated with ASCS and AMS. The time involved in contracting and establishing new systems delayed completion of the audit recommendations.

**44. Pennsylvania Food Stamp Program, issued September 24, 1987**

The audit recommended that FNS establish a claim against the State Agency (SA) for \$4,170,459 lost to FNS as a result of the SA's failure to fully implement recoupment requirements. Program regulations require that SAs use this collection method when benefits have been dispensed on the basis of erroneous information furnished by the households. The SA subsequently complied; however, the \$4,170,459 represented past losses generated by the SA's failure to fully comply in a timely manner.



Final action depended on the OGC issuing an opinion on the legal implications of billing the SA for the \$4,170,459. FNS received an opinion from OGC in October 1987, which expressed the view that under existing law the claim could not be asserted under a negligence theory but that, depending on the success of the State's recoupment efforts, it might be possible to assert a common law claim for damages. The OIG then requested, through FNS, that OGC reconsider its opinion. In August 1989, OGC issued a second opinion which took into account the intervening USDA approved settlement in Mendez vs. White, E.D. Pa., June 20, 1989. While OGC did not conclusively assert that FNS' position lacked merit, OGC pointed out that the SA's reluctance to fully implement recoupment had been based on a series of lawsuits challenging the State's notification process, which had been in compliance with Food Stamp Program Regulations. The OGC reminded FNS that it had approved the Mendez settlement that had called for partial implementation. The Court that had approved the settlement might, OGC continued, construe a billing as a breach of the settlement agreement. Further, the amount to be billed could not be fairly estimated until the SA's partial collections, authorized by the settlement agreement, had been completed. The OGC concluded by expressing doubt that the Justice Department would initiate court action on FNS' behalf.

45. Food Coupon Redemption Process, issued December 11, 1986

The management decision for this audit required a total redesign of the Bank Monitoring System for redeeming, processing, and reconciling Food Stamp coupons throughout the banking system. FNS agreed to conduct a long-term review to examine alternative processing systems for the redemption and reconciliation of the system nationwide.

FNS' initial actions in FY 1986 were to establish a Task Force with the American Bankers Association and the Federal Reserve to examine the current system and to conduct a feasibility study of system changes. That effort resulted in the FNS Redemption System Requirements Document in July 1987. The Federal Reserve responded to the Requirements Document in September 1987 with three proposals for alternative system redesigns. Based on extensive costs and operational feasibility studies, FNS and the Federal Reserve decided to develop a pilot test for system redesign in FY 1988. The pilot test was implemented in September 1988 in the Dallas and Memphis Federal Reserve zones. The pilot test was conducted through March 1989, and evaluation reports were issued in June 1989. The pilot evaluations indicated that all of the objectives for improving the food coupon redemption and reconciliation system were accomplished at minimal cost to the Federal Government. Based on the pilot test evaluations,

national implementation of the pilot is scheduled in FY 1990.

46. **National School Lunch Program, Detroit Public School System, Detroit, Michigan, issued February 10, 1988**

The audit recommended, in part, that the Detroit Board of Education be required to: reconcile all differences between book and physical inventory balances of USDA-donated commodities made available for use in the National School Lunch Program; maintain inventory records based on available source documentation and actual quantities delivered; and refund inventory shortages.

The Detroit Board of Education elected to replace the commodities in kind. Unlike cash refunds, replacement in kind generally cannot be completed in a single transaction. One must purchase replacement commodities when market conditions are favorable for the type(s) of commodities in question and when the commodities fit into the school's schedule. This prevented the Detroit Board of Education from replacing all the commodities at one time. Thus, final action was delayed until September 1989.

47. **Child Care Food Program (CCFP) - Boys Harbor, Inc., issued September 15, 1987**

Among other things, the audit recommended that FNS collect funds paid in excess of the formula prescribed in the regulations. OGC informed FNS that it would be difficult to

obtain a recovery due to unclear regulations. FNS agreed to revise 7 CFR Part 226.16 (h) to clarify the acceptable method for obtaining reimbursement for meals served by a sponsor. Implementation of this recommendation was delayed due to heavy involvement by FNS in the regulatory and policy activity associated with the adult day care component of the CCFP and a proposal under which the authority of USDA and State agencies to assess overclaims based on inadequate recordkeeping was to be clarified. FNS expects publication of proposed rules in 1990, with final rules by June 1990.

48. **Puerto Rico WIC Program, issued July 31, 1987**

The audit, in part, recommended that FNS establish a claim against the SA to recover Federal funds applied to overstated and unsupported food and administrative costs; to salaries, benefits and travel costs improperly allocated to the WIC Program; and to undocumented nutrition education costs. The audit recommended that the SA establish controls to provide reasonable assurance that: accounting records relating to the WIC Program are periodically reconciled to those relating to other health service activities; program costs are assigned to the correct fiscal year(s); eligible salaries, fringe benefits and travel costs are allocated properly; and program violations by food vendors are followed up and applicable penalties instituted.

The agreed-upon corrective actions amounted to a comprehensive overhaul of the SA's procedures for managing the WIC Program. FNS assigned its Caribbean Area Office the lead role for evaluating the SA's documentation of corrective action and for establishing the claim amount. This arrangement was suited to pursuing corrective actions under the SA's insular conditions. However, adding an additional office to the "loop", by nature, prolonged reaching agreement among all parties involved that corrective action had been completed.

49. **Nutrition Assistance Grant to Puerto Rico, issued July 31, 1987**

The audit recommended, in part, that FNS require the SA to maintain accounting records showing current cash balances for each grant program and report this data; coordinate with other Federal Agencies served by the offices performing integrated services to obtain a proper allocation of administrative funds; and require the SA to submit revised financial reports.

Implementing these recommendations has entailed long-term modifications to the SA's existing systems and procedures. The SA has installed a computer terminal connected to its commercial bank. This gives the SA the capability to report its current cash balance whenever it requests cash payments under its Letter of Credit. With respect to allocating administrative costs among Federal grants, the SA has

been negotiating with the Department of Health and Human Services (HHS) for approval of its cost allocation proposal. Final action cannot be realized on this recommendation until HHS approves the proposal and the SA submits revised financial reports.

50. **Rollup Report of OIG Audits of School Food Service Programs Administered by School Food Authorities, issued May 22, 1987**

OIG recommended that FNS modify the Assessment, Improvement and Monitoring System (AIMS) for the National School Lunch Program (NSLP) and implement a series of internal controls for school food authorities to better monitor the accuracy of claims submitted for reimbursement under NSLP. The actions agreed upon were comprehensive changes to improve meal counting and claiming procedures through regulatory changes, policy revisions, and increased monitoring and technical assistance emphasis. Thus, final action was not completed within 1 year.

51. **Internal Controls Over Food Stamp Issuance System in Missouri Department of Social Services, issued April 28, 1986**

The audit recommended, in part, that FNS require the SA to develop a system implementing a process of recouping amounts owed by active Food Stamp participants where such recoupment is authorized by program regulations. The SA had obtained FNS' prior approval

for an automated system that would accomplish this by enabling its claims system to interface with its Food Stamp certification system. This system was to be phased in over several years. However, implementation was delayed by State budgetary constraints and turnover of key personnel. By 1989, the system's technology was obsolescent and the SA raised the possibility of scrapping it in favor of a totally new system. The SA suggested that FNS and other Federal Agencies be asked to participate in the costs of such a system. FNS advised Missouri that: (1) development and implementation of a totally new automated system was a long-term solution; and (2) the SA could not delay instituting recoupment while it developed a new system. Consequently, the SA reassigned staff to work full time on recoupment. The functions performed by these employees achieve by "manual" means the interface of the SA's claims and certification automated systems. Reviews by FNS have demonstrated that the SA's procedures are accomplishing the objective of the recommendation: instituting recoupment.

52. **Georgia Food Stamp Program, Error Reduction and Claims Management, issued February 5, 1988**

The audit recommended, in part, that the Georgia Department of Human Resources eliminate its backlog of potential overpayments to households participating in the Food Stamp Program; and obtain the cooperation of the Georgia Department of

Corrections (GDC) in remitting collected claims to county Food Stamp offices and submitting claims status reports in a timely manner.

Each case required investigation to establish whether a claims determination was warranted and, if so, the dollar amount of each claim. Diverting existing SA staff from current claims activity to the backlog would impair ongoing program operations; therefore, the SA requested an appropriation from the State legislature for additional staff. The appropriation was eventually given, enabling the SA to hire 14 additional investigators.

The SA sought to have the GDC submit status reports on claims on a regular basis. The GDC preferred to report semiannually or annually; however, FNS regulations require such reporting at least quarterly. The GDC finally consented to quarterly reporting.

53. **Quality Control Error Rate Reduction System, issued October 31, 1986**

The audit recommended that FNS require State Agency Quality Control reviewers to attempt to complete all refusal-to-cooperate cases through the use of collateral contacts. FNS agreed to revise its regulations to effect this recommendation. In February 1986, FNS drafted proposed rules and, during the clearance process, became aware that a change in policy had greater statistical implications than FNS had considered. Therefore, the



rules were suspended until the issue could be resolved. In November 1987, the rules continued to be delayed due to FNS' expectations that the National Academy of Sciences (NAS) study of quality control on Aid to Families with Dependent Children and Medicaid and an FNS-contracted study would address the statistical issues related to refusal-to-cooperate cases. The NAS study did not address the issue, as anticipated.

The FNS contracted study, which examines statistical issues related to refusal-to-cooperate-cases, is still in the clearance process. Because its release has been delayed, FNS has revised its schedule for publishing rules until December 1990.

54. **Implementation of Food Stamp Wage Matching, Florida Department of Health and Rehabilitative Services, issued July 31, 1986**

The audit recommended that FNS require the SA to comply with wage matching requirements contained in the Food Stamp Program Regulations in effect at the time the audit was made. However, subsequent legislation required the implementation of an expanded Income and Eligibility Verification System (IEVS). The IEVS requirements superseded the wage matching requirements, as audited, and proper implementation of the IEVS regulations would have corrected the conditions instigating the audit recommendation. Therefore, FNS instructed the SA to commit its resources to

implementing IEVS. Since then, FNS has repeatedly used suspension of funding to obtain SA compliance. At this time, Florida is generally in compliance but continues to experience problems with the operation of IEVS. Final action will be completed when FNS determines that it is warranted by the degree of compliance the SA has achieved.

55. **Nationwide of Automated Data Processing (ADP) Accounts Receivable Systems for Food Stamp Program Claims, issued August 12, 1987**

The audit recommended, in part, that FNS intensify efforts to enforce States' compliance with regulations pertaining to claims accounting and reporting functions; increase emphasis on claims operations by "targeting" areas identified in the audit report during management evaluation reviews; provide specific review steps related to the claims function; ensure States comply with FNS regulations applicable to claims; amend regulations or otherwise require States to establish interstate claims collection capabilities in their ADP claims systems; establish guidelines for universally compatible hardware and software systems; establish policy and provide guidance to States to develop uniform written procedures for implementing and enforcing effective claims collection action; establish policy to identify claims against non-participating households that have made no payments in over 3 years, terminate such

claims, and purge all zero balance claims; establish uniform guidelines for States to reconcile FNS-209 data; specify required intervals for reconciliation; and specify reasonable timeframes for entering claims data into the systems.

FNS quickly improved as many areas as possible through the Management Evaluation process and used that experience to identify where additional guidance was needed. In addition to improving classification and establishment of claims, the focus on claims through the Management Evaluations in FYs 1988 and 1989 gave the needed information to FNS on State-specific problems and circumstances to develop the most effective additional guidance. The time needed for the sequential steps leading to the last required action delayed completion of this audit's recommendations. All but the last requirement is complete, and FNS expects to issue comprehensive guidance on claims in early FY 1990.

56. **Vendor Monitoring and Food Instrument Delivery System, issued June 15, 1988**

The audit recommended, in part, that FNS establish minimum requirements for high-risk vendor identification and establish effective high-risk vendor investigative requirements. Final action is not complete on these recommendations because closure is dependent upon issuance and implementation of final regulations on food delivery.

57. **Special Supplemental Food Program for Women, Infants and Children (WIC) as administered by the Michigan Department of Health, issued January 6, 1988**

The audit recommended, in part, that the SA include procedures in its ADP system redesign that would match redeemed food instruments against vendors' price lists; terminate vendors that do not submit price reports; establish procedures for followup on unmatched food instruments to determine whether they represent valid issuances; correct any systemic conditions causing validly issued food instruments to be reported unmatched; and develop procedures for local agency followup on potential dual participation and report the results to the SA.

FNS has pursued implementation of the stated corrective actions with State officials. A number of conditions have complicated efforts to reach final action. As a result of FNS' 1988 Management Evaluation of the SA, it was recommended that the SA reorganize all WIC Program activities into one unit. The SA implemented this reorganization in October 1988, but had to defer action on other commitments in order to do so. At the time of the audit, the SA had in process an Advance Planning Document (APD) for the redesign of its automated system for WIC. Several revisions were necessary before an acceptable APD was approved. The SA has encountered difficulties in implementing the new system.

Early operations revealed a need for debugging and additional funding was sought from FNS for a new mainframe computer. Based on the results of onsite reviews, FNS questions whether additional funding will expedite final action. FNS is currently pursuing this matter with the SA.

58. **Special Supplemental Food Program for Women, Infants and Children (WIC) as administered by the Illinois Department of Public Health, issued April 29, 1988**

The audit recommended that FNS develop and implement a plan to correct the conditions described in the audit report; impose sanctions upon the SA if it did not agree to implement the plan or failed to implement it in a timely manner; and conduct periodic management evaluations of the SA, covering all areas identified in the audit report, until corrective actions were complete. In addition, the audit recommended that the SA strengthen accountability and security over WIC food instruments at the State level; and identify, report and remit to FNS the dollar amount of duplicate benefits improperly dispensed to participants.

Implementation of the actions has been tied to the SA's new mainframe system for controlling WIC food delivery. At the time of the audit, the SA had an APD in process for the development of this system. The APD was revised to incorporate controls and procedures recommended by the

audit. The new system's online feature enables local clinic staff to print food instruments as needed for immediate issuance; preprinted food instruments are no longer kept at the SA. In order to account for all food instrument stock distributed to clinics, the SA's system now tracks all food instrument stock by serial number, in order to account for all food instrument stock distributed to clinics. At the time of the audit, the SA's procedures manual prescribed procedures for identifying duplicate benefits. FNS confirmed through inspection of exception reports distributed to local agencies that these procedures are being followed.

59. **Arizona Department of Economic Security, issued August 29, 1986**

The audit recommended, in part, that FNS require the SA to improve its system for monitoring claims established against households to recover Food Stamp Program benefits improperly paid.

State officials are placing a higher priority on improving the accuracy and timeliness of processing new applications. Their concern has stemmed largely from McGowen vs. Arizona, which culminated in a court order requiring the SA to process applications within the 30 days prescribed by program regulations. Accordingly, State officials have not set a high priority on complying with FNS requests to commit staff to reviewing the backlog of potential overpayments. They have also maintained that such activity

is not cost effective because many of the potential overpayments contained in the backlog are old; and claims resulting from review of such cases are less likely than newer claims to be collectible. Further, they have pointed out that many of the households, to which such older cases pertain, are no longer on the program. For these reasons, much of the backlog of potential overpayments remains unreviewed. In May 1989, FNS notified the SA that a formal warning of sanctions would be issued if compliance was not forthcoming. FNS did not receive a satisfactory response and is now considering pursuing administrative sanctions to bring the SA into compliance.

60. **Virginia Department of Public Health, issued November 2, 1987**

The audit recommended, in part, that the SA institute stronger internal controls over WIC Program administrative funds and establish procedures that would provide a desired level of control which would not administratively overburden the SA's operations.

The SA's corrective action plan provided for documenting its employees time distribution through the use of daily timesheets for 1 week each calendar quarter. This was consistent with procedures recommended in other audits and accepted by FNS in Management Evaluations of SAs. Based on the SA's implementation of the approved plan, FNS recommended final

action to the OIG. The OIG responded to the effect that approving a SA's internal controls was an FNS responsibility. In the same correspondence, however, the OIG insisted that the SA require its employees to complete daily timesheets throughout the year, rather than for 1 week each quarter. FNS responded that: (1) such a procedure would contravene the original recommendation by administratively burdening the SA; and (2) the SA's corrective action was consistent with actions the OIG had accepted in other States. Consultations leading to the OIG's acceptance of the SA's corrective action delayed final action within 1 year.

61. **Kansas Department of Social Services, issued July 23, 1987**

The audit recommended, in part, that FNS require the SA to modify its procedures for preparing the FNS-209 report to include reconciliation of the ending balance to totals of detail claims recorded by area officers. In response, the SA developed the Comprehensive Automated Eligibility Child Support Enforcement System (CAECSES). The SA's plan called for Statewide implementation over a 2-year period ending in June 1989. The first counties were brought into CAECSES in early 1988; additional counties were added at prescribed intervals; and the last county entered the system in June 1989.

62. **Evaluation of Regulatory Functions in the Packers and Stockyards Administration, issued March 20, 1987**



The audit recommended, in part, that PSA develop procedures for analyzing and tracking the financial conditions of market agencies and dealers, and revise agency regulations relating to the bond coverage formulas. Final action was delayed because of the necessity to perform extensive analysis and study of the regulatory impact and to obtain legal opinions from the OGC.

63. **FGIS Grain Inspection Processes and Procedures, issued August 30, 1988**

The audit recommended that FGIS develop and implement a method that would more accurately measure moisture in corn, preferably a method that employs the use of ground rather than whole kernel corn. Final action was delayed because a significant amount of time was required to research the methods available and obtain a database sufficient to calibrate electronics instruments. However, the research for air oven calibration is now completed and is being reviewed by FGIS management. If the recommendation is accepted and approved, Federal Register notification and a comment period will be required. Also, an additional 3 years may be needed to obtain a database sufficient upon which to calibrate electronic instruments.

64. **Public Law 480, Title I, Fiscal Accountability, issued February 19, 1987**

The report generated dialogue between FAS officials and OIG concerning how to outline the

responsibilities of recipient countries in the event of Title I claims. In order to implement the new policy, it was decided to add language to the Title I negotiating instructions which were sent to the country teams stationed abroad. By the time this decision was reached, however, it was too late in the FY 1989 Title I programming cycle to add the new language for all countries. Accordingly, FAS obtained interagency clearance and added the language to all negotiating instructions for the FY 1990 programming cycle, which began in the late summer of 1989.

65. **South Dakota Department of Agriculture (SDDA), issued November 9, 1987**

APHIS agreed to require revised financial reports for both FYs 1985 and 1986, and obtain documentation that a claim was established for all disallowed costs or recovery made. The delay in final action is due to SDDA questioning the involved costs.

66. **Kansas Animal Health Department (KAHD), issued October 8, 1987**

APHIS agreed to ensure that actual program costs were reported on the Federal financial reports from KAHD; and determine whether the agreement allows carryover of unspent Federal monies from one fiscal year to the next and, if not, whether KAHD had been billed for the full amount of questioned costs. APHIS was, also, to ensure that the non-Federal costs of the program are documented and

that these costs are reported on the financial reports of KAHD and reconciliation of the matching funds is completed. The delay is due to KAHD questioning the involved costs.

67. **Arizona State Commission of Agriculture and Horticulture, issued January 29, 1988**

The audit recommended that the Arizona State Commission of Agriculture and Horticulture (ASCAH) maintain accounting records that provide for accurate and complete disclosure of financial results for all grant activities; ensure that expenditures pertaining to the Southwest Boll Weevil Project are charged to the project; establish an indirect cost allocation plan; segregate duties to ensure that one person is not responsible for a complete phase of any accounting activity; cancel vendor invoices, after payment, to help prevent duplicate payments; prepare purchase orders for expenditures before goods or services are purchased; ensure proper control over payroll; strengthen electronic data processing; strengthen control over cash receipts; safeguard cash prior to deposit; and ensure that the liability for annual, compensatory and sick leave balances is properly reported on the financial statements. ASCAH has taken measures to implement the corrective actions. The delay is due to ASCAH preparing the documentation to verify that the corrective actions have been taken and implemented.

68. **Washington State Department of Agriculture (WDA), issued January 4, 1988**

APHIS agreed to obtain documentation from the WDA verifying issuance of a statement requiring that all agreements pertaining to grants and contracts be in writing; obtain documentation showing approval for the modified cost-sharing procedures; and collect the questioned costs. The delay is due to WDA questioning the involved costs.

69. **Procurement and Technical Approval of ADP Equipment in USDA, issued September 16, 1987**

OIRM agreed to obtain written certifications that agencies have completed the actions detailed in their Technical Approvals and Delegation of Procurement Authorities; consider issuing policy imposing penalties; determine the feasibility of requiring agencies to submit cost-benefit analysis data in a specific format; notify agencies that they should contact OIRM for assistance in completing a cost-benefit analysis if they are unsure as to how the analysis should be developed; and finalize the automated tracking system for monitoring conditional approvals of ADP equipment/systems and requests for approval. Final action is delayed because OIRM is waiting for GSA's dollar threshold for delegation and procurement authority.

70. OIRM Automated Data Processing (ADP) Maintenance Agreements Within the Department of Agriculture, issued March 23, 1987

It was agreed that guidance be developed to cover proper maintenance procedures for ADP equipment; repair cost information be maintained; and ADP equipment downtime and maintenance costs be maintained. OIRM is waiting for modification of the OFM's National Finance Center Property Management System before removing ADP inventory information from the Departmental Information Locator System. Additionally, the General Services Administration has not provided guidance on the format and content needed to meet Federal requirements. Rather than undertaking this significant activity two or three times, it is in the Department's best interest to postpone modifying the system and issuing guidance to information processing managers and users. OIRM's parallel review process, used in technical assessment of agency requests for technical approval, requires that maintenance be addressed as part of systems life-cycle costs.

71. Review of Management and Security of Computer Operations at the Fort Collins Computer Center, issued October 27, 1986

The completion of certain recommendations in this audit required extensive evaluation of security software needs and consulting with user agencies to determine their

requirements. User requirements varied substantially by agency, taking longer to work out solutions than initially anticipated; procurement processes took longer than expected; and in one instance, commercial products were not available to accomplish the requirements.

72. Survey of User Workload Impact on Computer Resources at the National Computer Center, Fort Collins, Colorado, issued September 22, 1987

The audit made recommendations pertaining to the establishment of capacity management measures in USDA's UNISYS mainframe. OIRM believed that adequate capacity measures were in place as early as November 1987. OIG did not agree that these measures were appropriate. The Computer Center began developing new capacity measures that would be satisfactory to OIG. In the ensuing year, the user workload profile changed at the Computer Center, thereby bringing forth the need to develop yet another variation in capacity measures. Because of the changing environment, the Computer Center was unable to devise new methodology until early 1989.

73. User Billing System at the National Computer Center at Fort Collins, issued February 24, 1988

The audit recommended that the Computer Center areas of management responsibility, work functions and subfunctions be defined and that the Budget Monitoring

System be modified to collect and report cost data at those levels. User agencies were to be surveyed to determine additional management information needed and how it should be reported. To implement the audit recommendations, it was necessary to complete a full rates analysis to provide the Center with revised rates for existing services and establish rates for various new services. A contract with the Federal Computer Performance Evaluation and Simulation Center was awarded in two phases. Phase one addressed the development of rates and was delivered in January 1989. Phase two required the development of a cost accounting and budget tracking system.

The delay in the survey of user agencies to determine their reporting needs is due to technical reasons. The Center anticipated upgrading its operating system for the UNISYS 1100 series systems in FY 1990. This improved software would completely change the logging information used for billing and reporting. The Center delayed the survey because the reporting system needed to be rewritten. This upgrade is now postponed indefinitely. The user survey is in progress and any user requests for new information will be incorporated in future reports.

74. **User Billing and Charging System of the National Computer Center at Kansas City, issued May 24, 1988**

The audit recommended that the Computer Center define its area of management responsibility, work functions and subfunctions; change the Budget Monitoring System to collect and report cost data at various billing levels; and complete a user survey before conversion of Washington Computer Center users to the Kansas City Computer Center production systems.

The Computer Center contracted with the Federal Computer Performance Evaluation and Simulation Center to work with them to complete a rates analysis that provides the Center with revised rates for existing services and set up rates for various new services; to develop an automated program for completing rates analysis faster and more efficiently; to develop a new cost accounting system that collects and reports cost data at various billing levels; to survey the user community that determines their informational needs; and to develop and produce additional reports or develop programs for users to produce and retrieve the reports themselves. Due to the amount of work involved, the audit recommendations were not completed within 1 year.

Statistical Tables With Final Action  
on Audits with Disallowed Costs And  
With Funds To Be Put to Better Use





Agricultural Marketing Service  
Final Action on Audits with Disallowed Costs  
For the 6-Month Period Ending September 30, 1989

	Number of Audit Reports	Disallowed Costs
A. Management decisions with no final action at the beginning of the period	1	\$ 92,193
B. Management decisions made during the period	1	\$ 380,101
C. Final action taken during the period	0	
D. Reports needing final action at the end of the period	2	

Agricultural Research Service  
Final Action on Audits with Disallowed  
Costs and With Recommendations to Put Funds to Better Use  
For the 6-Month Period Ending September 30, 1989 .. ..

	Number of Audit Reports	Disallowed Costs	Number of Audit Reports	Funds to be Put to Better Use
A. Management decisions with no final action at the beginning of the period	1	\$ 1,406		
B. Management decisions made during the period	1	\$35,510	1	\$1,346,936
C. Final action was taken during the period	0		0	
D. Reports needing final action at the end of the period	2		1	

Agricultural Stabilization and Conservation Service  
 Final Action on Audits with Disallowed  
 Costs and With Recommendations to Put Funds to Better Use  
 For the 6-Month Period Ending September 30, 1989

	Number of Audit Reports	Disallowed Costs	Number of Audit Reports	Funds to be Put to Better Use
A. Management decisions with no final action at the beginning of the period	13	\$18,758,384 <sup>1</sup>	4	\$25,207,429 <sup>1</sup>
B. Management decisions made during the period	22	9,830,458 <sup>1</sup>	10	\$ 1,090,427 <sup>1</sup>
C. Final action taken during the period	4	514,424	0	
1. Recoveries				
. Collections		514,424		
2. Total		\$514,424		
D. Reports needing final action at the end of the period	31		14	

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<sup>1</sup>The agency could not substantiate these figures from its records. The data was compiled from the Office of Inspector General automated CAPTAIN system.

Farmers Home Administration  
Final Action on Audits with Disallowed  
Costs and With Recommendations to Put Funds to Better Use  
For the 6-Month Period Ending September 30, 1989

	Number of Audit Reports	Disallowed Costs	Number of Audit Reports	Funds to be Put to Better Use
A. Management decisions with no final action at the beginning of the period	10	\$8,731,979	4	\$276,366,956 <sup>1</sup>
B. Management decisions made during the period	6	6,297,878	6	137,063,127
C. Final action taken during the period	2	46,193	0	
1. Recoveries				
. Collections		48,099 <sup>2</sup>		
2. Total		\$ 48,099		
D. Reports needing final action at the end of the period	14		10	

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<sup>1</sup>Includes audits under appeal.

<sup>2</sup>Includes funds collected on two audits without final action.

Federal Crop Insurance Corporation  
 Final Action on Audits with Disallowed  
 Costs and With Recommendations to Put Funds to Better Use  
 For the 6-Month Period Ending September 30, 1989

	Number of Audit Reports	Disallowed Costs	Number of Audit Reports	Funds to be Put to Better Use
A. Management decisions with no final action at the beginning of the period	3	\$5,820,233	2	\$12,924,762 <sup>1</sup>
B. Management decisions made during the period	2	224		
C. Final action was taken during the period	2	90,587		
1. Recoveries				
. Collections		26,760		
2. Write-offs		63,827		
3. Total		\$ 90,587		
D. Reports needing final action at the end of the period	3		2	

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<sup>1</sup>Includes audits under administrative appeal.

Extension Service  
Final Action on Audits with Disallowed Costs  
For the 6-Month Period Ending September 30, 1989

	Number of Audit Reports	Disallowed Costs
A. Management decisions with no final action at the beginning of the period	1	\$22,842
B. Management decisions made during the period	0	
C. Final action taken during the period	0	
D. Reports needing final action at the end of the period	1	



Foreign Agricultural Service  
 Final Action on Audits with Disallowed  
 Costs and With Recommendations to Put Funds to Better Use  
 For the 6-Month Period Ending September 30, 1989

	Number of Audit Reports	Disallowed Costs	Number of Audit Reports	Funds to be Put to Better Use
A. Management decisions with no final action at the beginning of the period	1	\$2,924,221		
B. Management decisions made during the period	0		1	\$183,783
C. Final action was taken during the period	0		1	183,783
1. Recommendations (completed)				183,783
2. Recommendations that management concluded should not or could not be implemented or completed				0
3. Total				\$183,783
D. Reports needing final action at the end of the period	1		0	

Forest Service  
Final Action on Audits with Disallowed  
Costs and With Recommendations to Put Funds to Better Use  
For the 6-Month Period Ending September 30, 1989

	Number of Audit Reports	Disallowed Costs	Number of Audit Reports	Funds to be Put to Better Use
A. Management decisions with no final action at the beginning of the period	1	\$ 15,585	8	\$4,170,305 <sup>1</sup>
B. Management decisions made during the period	3	325,296	1	\$ 647,602 <sup>1</sup>
C. Final action was taken during the period	1	229,647		
1. Recoveries				
. Collections		229,647		
2. Total		\$229,647		
D. Reports needing final action at the end of the period	3		9	

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<sup>1</sup>Includes audits under administrative appeal

Rural Electrification Administration  
 Final Action on Audits with Disallowed  
 Costs and With Recommendations to Put Funds to Better Use  
 For the 6-Month Period Ending September 30, 1989

	Number of Audit Reports	Disallowed Costs	Number of Audit Reports	Funds to be Put to Better Use
A. Management decisions with no final action at the beginning of the period	1	\$273,481	2	\$180,823,195
B. Management decisions made during the period	0		0	
C. Final action was taken during the period	0		0	
D. Reports needing final action at the end of the period	1		2	

Soil Conservation Service  
Final Action on Audits  
With Recommendations to Put Funds to Better Use  
For the 6-Month Period Ending September 30, 1989

	Number of Audit Reports	Funds to be Put to Better Use
A. Management decisions with no final action at the beginning of the period	6	\$2,723,786 <sup>1</sup>
B. Management decisions made during the period	2	920,975 <sup>1</sup>
C. Final action taken during the period	4	1,850,184
1. Recommendations (completed)		986,762
2. Recommendations that management concluded should not or could not be implemented or completed		863,422
3. Total		\$1,850,184
D. Reports needing final action at the end of the period	4	

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<sup>1</sup>Includes audit under administrative appeal.

Office of Finance and Management  
Final Action on Audits  
With Recommendations to Put to Better Use  
For 6-Month Period Ending September 30, 1989

	Number of Audit Reports	Funds to be Put to Better Use
A. Management decision with no final action at the beginning of the period	1	\$178
B. Management decisions made during the period	0	
C. Final action taken during the period	1	178
1. Recommendations (completed)	1	178
2. Recommendations that management concluded should not or could not be implemented or completed	0	0
3. Total	1	178
D. Reports needing final action at the end of the period	0	

Cooperative State Research Service  
 Final Action on Audits  
 With Recommendations to Put Funds to Better Use  
 For the 6-Month Period Ending September 30, 1989

	Number of Audit Reports	Disallowed Costs
A. Management decisions with no final action at the beginning of the period	4	\$346,312
B. Management decisions made during the period	1	\$962,263
C. Final action taken during the period	0	
D. Reports needing final action at the end of the period	5	



Food Safety and Inspection Service  
Final Action on Audits  
With Recommendations to Put Funds to Better Use  
For the 6-Month Period Ending September 30, 1989

	Number of Audit Reports	Disallowed Costs
A. Management decisions with no final action at the beginning of the period	1	\$ 42,150
B. Management decisions made during the period	2	2,526,496
C. Final action taken during the period	0	0
1. Recoveries		
. Collections		42,150 <sup>1</sup>
2. Total		\$ 42,150 <sup>1</sup>
D. Reports needing final action at the end of the period	3	

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<sup>1</sup>Funds have been collected, but final action has not occurred.

Food and Nutrition Service  
Final Action on Audits with Disallowed  
Costs and With Recommendations to Put Funds to Better Use  
For the 6-Month Period Ending September 30, 1989

	Number of Audit Reports	Disallowed Costs	Number of Audit Reports	Funds to be Put to Better Use
A. Management decisions with no final action at the beginning of the period	32	\$3,890,517 <sup>1</sup>	6	\$179,565,089 <sup>2</sup>
B. Management decisions made during the period	95	6,484,406 <sup>1</sup>	3	607,333 <sup>2</sup>
C. Final action taken during the period	49	311,763	0	
1. Recoveries				
. Collections		6,394,094 <sup>3</sup>		
. Property		101,501		
2. Total		\$6,495,595		
D. Reports needing final action at the end of the period	78		9	

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<sup>1</sup>These figures include audits under administrative appeal.

<sup>2</sup>The agency could not substantiate from their records. Data was compiled from the Office of Inspector General automated CAPTAIN system.

<sup>3</sup>This figure includes \$378,833 collected through repayment schedules for 22 audits and funds collected on audits without final action on the total report.

Animal and Plant Health Inspection Service  
 Final Action on Audits with Disallowed  
 Costs and With Recommendations to Put Funds to Better Use  
 For the 6-Month Period Ending September 30, 1989

	Number of Audit Reports	Disallowed Costs	Number of Audit Reports	Funds to be Put to Better Use
A. Management decisions with no final action at the beginning of the period	2	\$10,853	1	\$11,046
B. Management decisions made during the period	1	\$10,072	0	
C. Final action was taken during the period	0		0	
D. Reports needing final action at the end of the period	3		1	

Office of Information and Resources Management  
Final Action on Audits  
With Recommendations to Put Funds to Better Use  
For the 6-Month Period Ending September 30, 1989

	Number of Audit Reports	Funds to be Put to Better Use
A. Management decisions with no final action at the beginning of the period	1	\$258,383
B. Management decisions made during the period	0	
C. Final action taken during the period	1	258,383
1. Recommendations (completed)		258,383
2. Recommendations that management concluded should not or could not be implemented or completed		0
3. Total	1	\$258,383
D. Reports needing final action at the end of the period	0	

Audits Under Appeal or Legislative Solution





## AUDITS UNDER APPEAL OR LEGISLATIVE SOLUTION

The following agencies have audits which are either under formal judicial or administrative

appeal or upon which management has agreed to seek a legislative solution:

<u>Agency</u>	<u>Judicial Appeal</u>	<u>Administrative Appeal</u>	<u>Legislative Solution</u>
ASCS	-	2	-
FmHA	1	-	2
FCIC	1 <sup>1</sup>	2 <sup>1</sup>	-
FS	3	5	-
SCS	-	5	-
FNS	-	6	-

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<sup>1</sup>Separate portions of one audit are under both judicial and administrative appeal.





